

FIFTY PER CENT STOCK DIVIDEND FOR SAN CARLOS

(Continued from page one)

concluded; the additional lands coming in under terms more favorable to the company than those in the original contracts, but at the same time on a basis that provides a distinct gain to their owners over the results that they have been securing with their own small mills and wasteful manufacturing processes. At the time I left, we had either definite contracts or had received applications from planters to deliver as much cane as it seemed advisable for us to definitely promise to mill with our present railroad equipment.

"As is already known to our stockholders, our first two seasons have been wonderfully profitable, due largely, in fact we may say almost entirely to the abnormally high prices obtained for our sugar. The sale of all the

sugar we have so far made has always been left to the sole discretion of Charles J. Welch of New York, and whenever we think of the high prices obtained for our crops we should remember with grateful recollection the ability and courage that he has displayed in taking advantage of the market's violent fluctuations in such a way as to secure us the benefits of the high prices that have not prevailed without interruption.

First Season Crop Short.

"Still the fact that our sugars were sold at unusual prices in no wise depreciates the value of these profits. Moreover, it should be borne in mind that we have had bad luck as well as good fortune; consequently the net results of the first two seasons should not be regarded as being so far as appears at first sight from what might be expected under normal conditions. For example, we expected a 10,000-ton crop the first season. We got 7500 tons. To make up the deficiency for the succeeding season, we took in more lands and added three miles to our railroad. After this we got only 7500 tons, even less than the first year, and on the latter crop we had to pay a freight rate to New York of two and one-half times the normal figure.

"While I was out there this year, arrangements were made to lay down six miles more of track. I estimate the coming crop at the modest figure of 9000 tons and nothing short of a calamity is going to prevent us from realizing this, nor will it be surprising in the least if this estimate is exceeded.

"It was to be expected that our first crop would be abnormally expensive, but our second one is a disappointment; both as to cost and the factory efficiency. However, the encouraging feature is that there is nothing insurmountable in the way of establishing an efficient organization to overcome both faults; and, with the added advantage of a larger yield and a higher percentage of sugar for the mill's share from the newly contracted plantations, we may rely upon fair returns under any normal conditions.

"Our plant is, generally speaking, in a fundamentally sound condition. Some things have cost more than they should have and some rebuilding and alterations may be necessary to other parts of it before they may be considered as being in harmony with economical upkeep and efficient operation. Against this we have written off high depreciations and similar charges amounting to about \$135,000 in the last two years, or over 30 per cent on our capital stock, so the valuations of our property as a whole, as now shown by our books, may be regarded as being very conservative.

Paid For By Profits.

"When it is realized that our plant cost more than estimated to start with and that we have since increased its capacity from 600 tons to 1000 tons of cane per day and paid for all this extension out of profits, it will be understood why, in spite of our large earnings, there has never been any money left in the treasury for the payment of dividends. Our initial capital was inadequate to pay for the large plant we now own, yet it seemed necessary for the good of all stockholders to increase it to its present size in order that the overhead charges might be distributed over a larger crop, thus decreasing the unit cost per ton of sugar. As conditions were at that time unfavorable to our raising any more money through the sale of additional stock the only recourse left was to turn our profits, which would ordinarily have been distributed as dividends, into capital, and this was done. The time has now come when this temporary disadvantage becomes the opposite.

"The first report submitted to our stockholders covered an operating period of six months to June 30, 1914, and showed a profit for this period of \$192,865.765. At the time we closed the accounts, we had not received

the final returns for our sugar, and as noted in the report, it was expected that they would amount to about \$6000 more than the figure incorporated. The excess value proved to be \$7160.81, and this added to the foregoing figure makes the actual profit for the first six months' period \$200,035.575.

"The profit on our 1915 crop, as near as we can figure it without the final returns for our sugar, which, as you have probably heard, was sold last month in New York at 4.89 cents, will amount to about \$55,560.625. In addition to this, our sundry earnings such as railroad freight, store profits, etc., amount to \$1733.015, or a total for the year of \$57,293.640. Against this we have written off heavy charges, a part of those referred to above, amounting to \$50,413.85; so our balance of undivided profits is increased by the difference between these two figures, or by \$6879.79. This brings our total undivided profits up to \$206,915.255, of a little more than 50 per cent of our capital stock, which is only \$400,000.

Wants Stock Dividend.

"In other words, for every dollar that the stockholders have put into the place, they now have a dollar and a half worth of property. To everyone who understands bookkeeping these things will all be evident by our financial statements, an outline of which I have sketched above, but I favor making the realization more complete by a stock dividend of 50 per cent at some time in the near future; that is, every stockholder would receive one additional fully paid up share of stock for every two shares owned at the time of the dividend. This would increase our capital from \$400,000 to \$600,000. I have no doubt that with efficient administration, our present plant, with some comparatively inexpensive additions, will be able to pay very fair dividends on the latter capitalization. But it must be well operated to do so.

"I estimate that we can pay off all our floating indebtedness and commence the next year's operations with a cash balance of a little over \$20,000. It has already been explained why our cash balance does not equal our undivided profits, but this question has been asked so often that I shall reply again that it is because we have put our profits into plant. Our bankers have intimated that they are ready to grant us the usual advances for handling our 1916 crop, so we have no financial worries ahead of us, a rather novel experience.

"As promoter of the enterprise, I deeply regret that any of the original purchasers of the shares have sold out, especially for less than they paid for the stock, and that the shares are even now offered for sale at \$5. The redeeming feature is that less than 10 per cent of the stock has changed hands, and that the price of the stock has been higher than that of many local sugar companies from the time of their incorporation to their dividend era.

Has Avoided Stock Trades.

"In fact it would be an interesting study for some historian or statistician to point out just what local sugar companies, if any, have made as good progress as San Carlos has in the short time of three and one-half years from incorporation. Personally I have never sold any stock at any time, in fact I have from time to time added in a small way to my holdings; but I have made it a point to abstain from trading in it, either directly or indirectly, from last April when I commenced my work of reporting on it, in order to avoid the slightest possibility of criticism on that score. From the first it has been my desire to so identify myself with the company that I would share whatever success or failure might accrue to the stockholders, and to the same degree. Then, in the event of the project's being overtaken by any unforeseen catastrophe at least my sincerity in inducing others to invest in it would not be questioned.

"As a result of what I have seen and learned during my investigation on the ground I believe that our prospects, possibilities and present status are such that I would not advise any stockholder to sell his stock for less than \$15 a share, unless it could be replaced for less. That is not an excessive valuation for it. The bonds, too, are worth considerably more than the present asking price. I have no hesitation in predicting that both, more especially the stock which is so abnormally low, will advance as soon as people realize fully what has been accomplished to date, and that the operating expenses can be cut down to a satisfactory figure. I am

'BIG NIGHT' AT BIJOU THEATER TEAL'S PROMISE

Tonight's the big night at the Bijou theater. The big Christmas dinner will be distributed in connection with the big bill by the Raymond Teal aggregation. Turkeys, pigs, chickens (no ducklings) will be given away at the extra Country Store that has been planned as a Christmas surprise by the management of the Bijou and Raymond Teal.

In addition to the gifts there will be a performance par excellence. "Spending a Million" is guaranteed to be a scream, while "Marrying Marion" is a laugh-getter that is a regular Teal offering.

Special scenery and special costumes have been laid out for the big pre-Christmas bill. New songs and dances have been thoroughly rehearsed and one of the biggest and best bills is the promise of Raymond Teal.

"We are on the last lap of our present Honolulu appearance," said Mr. Teal this morning, "and I want to leave the town with the reputation of having given our best bills on the last weeks. This is to a large extent a selfish desire for the reason that I expect to 'come back,' and when I do, I want to feel assured of genuine 'aloha.'"

'WINDOW TRIM' AT REGAL STORE

Christmas Mural-Decoration
Effect Used to Set Off
Fine Shoes

There is a distinct atmosphere of Christmas brightness and merriment on the northwest corner of Fort and Hotel streets this holiday season. For here is the Regal Shoe Store, and the Regal has a window display—"window trim" the experts call it—which is not only very attractive but highly appropriate for the season.

It is a mural-decoration effect in which white-whiskered Santas and toys and snowballs and sleds and youngsters of various kind are having the most glorious times imaginable. The colors used are mainly a vivid red, white, black and light brown, the ensemble being distinctly "Christmassy."

This window trim sets off very well the large lines of shoes on display. The Nettletrees and Regals are featured in various windows effectively and the Regal Store is proving by its business this season that people will buy practical gifts as well as those for ornament only.

XMAS GREETINGS VIA WIRELESS

File your Christmas telegrams with the Federal Wireless Friday to be delivered Christmas morning on special holiday blanks. San Francisco, Oakland and Berkeley \$1 for 12 words. Rate to other mainland points in proportion. Telegrams accepted over the telephone—call 4085, 828 Fort street.—Adv.

LAST CENSUS SHOWS

IRELAND IS GROWING
DUBLIN, Ireland.—The latest census figures for Ireland show an increasing population. This, for Ireland, is an agreeable novelty. For the quarter ended September 30 last, the number of births in Ireland was 27,779, a rate of 20.8 per thousand, and the deaths 14,670, a rate of 18.4 per thousand. There were only 3511 emigrants, so the net increase in population is 9598. The decreased emigration turned the scale.

now prepared to prove that this can be done.

"I am especially desirous of having it understood that the views I am now expressing are my own. There has been no meeting of the company's directors since my return, and consequently no means of my knowing definitely their attitude on any of the many pending questions. I have submitted a good many recommendations; including some that may perhaps be regarded as radical. However, I have no pet schemes to promote or develop, and my only hope, which I am happy to add coincides with my expectations, is that the whole matter may receive impartial and impersonal consideration and that each proposition suggested by myself or by anyone else may stand or fall in accordance with such a test in relation to whether it is fair and just and for the benefit of our interests as stockholders.

Star-Bulletin to San Carlos.
"I am glad of this opportunity of giving this outline of the company's position to our stockholders and others interested through your paper. Until such time when we may be brought together for a more detailed consideration of our interests, I trust that it will fulfil the many requests that I have received from stockholders and prospective purchasers of the stock for a statement of my own views and opinions. The Star-Bulletin is the only Hawaiian daily that is received at San Carlos and is the medium through which our people there keep posted on Hawaiian affairs.

[In another article Mr. Cooper will discuss other sugar properties in the Philippines in which Hawaii capital is interested and tell of what former Hawaiian folk now there are doing.]



The Clarion Call
to purchase
gifts today



Fathers and Mothers, Sisters and Brothers,

—and we might just as well add "Sons and Daughters and Cousins and Aunts" for they and everyone who is looking for a present to give to a Man or a Boy can find something here that will prove just the thing that pleased most on Christmas Day.

Tonight, Tomorrow and
—then One More Day

is all the time that is left in which to buy that Gift which you have delayed getting because you could not make up your mind just what to get.

Have you thought carefully over the list of things that your Boy, your Brother or your Father has expressed a wish for? Whatever article of apparel he has wanted you will find us ready with the best that may be had, best in design, material and workmanship; and in price, too.

Because you may have forgotten or may not even know what things a boy or a man really would like, we append a list of suggestions:

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Hosiery
Neck Ties
Hats
Underwear
Hose Supports
Belts
Extra Trousers
Collars
Collar Buttons
Cuff Links
Tie Clasps
Negligee Shirts
Dress Shirts

Work Shirts
Outing Clothes
Palm Beach Suits
Bath Robes
Pajamas
Night Robes
Umbrellas
Traveling Bags
Sweaters
Silk Scarfs
White Vests
Full Dress Accessories
Full Dress Suits
Dinner Jackets

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